

PENSION COMMITTEE  
REGULAR MEETING  
JANUARY 30, 2014  
TOWN HALL 9:00 A.M.

CALL TO ORDER: The meeting was called to order at 9:00 AM

PRESENT: Bill Kirkpatrick, chair; George Warner, member; Mike Marinaccio, Somers Acting CFO; Kevin Nichols, Merrill Lynch ABSENT: Ham Wilson, member

APPROVAL OF MINUTES OF REGULAR MEETING OF OCTOBER 31, 2013

The minutes were approved as written.

CASH BALANCES AND AMOUNT OWED TO TOWN FOR FISCAL 13-14

The Pension Fund holds \$194,860 in the PP Pooled account. Mike Marinaccio reported that the town has paid benefits to date for fiscal 13-14 of \$38,876.45 and will pay roughly the same amount in the second half of the fiscal year.

The money will be reimbursed to the town out of the cash in the Vanguard PP Pooled account. It was decided that in the future, cash will be transferred quarterly from the Pension Fund to the town to reimburse for benefits paid. To facilitate these transfers, Mike will look into setting up a Vanguard Cash account out of which benefits could be paid to retirees and into which the Pension Fund could transfer cash for benefits. At present employee contributions generate about \$16,000 per quarter to the Pension Fund. This money is now deposited biweekly in the PP pooled account, but in the future would be deposited in the newly created Vanguard Cash Account where it could be used to pay benefits, without resorting to transfers.

Mike also reported that \$11,577 in the PP Pooled account actually is the town payment to the Firefighters for fiscal 13-14. That money will be transferred out of the PP Pooled account into the Firefighters pension account. It will be used, along with the \$6,675 in cash already in the Firefighters account, to pay firefighter's benefits for fiscal 13-14. These benefits were \$7,361.50 to date for this fiscal year and approximately the same amount will be due in the second half of the year.

INVESTMENT REVIEW AND DECISIONS TOWN FUND

Kevin reviewed the year ending December 31 and noted that the Town Fund had a total return of 20.32%, the highest among Merrill Lynch's accounts that are similar to ours. We discussed the large cash holding in the Money Market Fund at Vanguard. With the stock market in a downturn of uncertain duration and severity, it was moved, seconded and passed unanimously to invest \$120,000 of that cash in three CD's of 3 months, 6 months, and a year.

INVESTMENT REVIEW AND DECISIONS VOLUNTEER FIRE FUND

The Volunteer Fire Fund was up 26.75% for the year ending December 31. The cash position is low and most of it will be needed to fund benefits for retirees. With little cash available and the investments performing well, no actions were taken at this time.

ADJOURNMENT: The meeting was adjourned at 9:55 AM.

Respectfully submitted,

William A. Kirkpatrick (acting clerk)  
Clerk